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U.S. COURTS

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REC'D
CAMERON S. BURKE
CLERK
IDAHO

Attorney for Debtors

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF IDAHO

| | | |
|-----------------|---|-------------------------------|
| In re: |) | |
| |) | Case No. 96-02095 |
| HIPWELL, TERRY, |) | |
| |) | |
| Debtor. |) | MOTION TO USE CASH COLLATERAL |

COMES NOW, Terry L. Hipwell, Debtor in Possession in Chapter 12, and shows as follows:

1) That the Debtor has filed his petition for relief under Chapter 12 of Title 11 on August 23, 1996 and since such date has continued in possession of his property and the operation of his farming business.

2) That the Debtor has planted and partially harvested a grain crop upon his land and in the operation of his farming business.

3) That Reed Grain & Bean holds a perfected security interest in the amount of \$11,400 for seed for planting of such grain crop.

4) That the total indebtedness owed to Landview Fertilizer, Inc. holds a perfected, security interest in the amount of \$130,000, for fertilizer on the Debtor's and. Such security

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interest is upon the grain crop and numerous items of farm equipment and is adequately protected in that equipment alone.

5) That the Internal Revenue Service has a lien on the grain crop and in addition upon the beet crops. The final payments for which are due on October 25, 1996. It is anticipated that the obligation of the Internal Revenue Service will be paid in full at that time and it is fully secured in the beet crop lien and does not need a lien on the grain crop to be adequately protected.

6) That the Debtor will receive in the normal course of business income other than from the harvesting of his grain crop as follows:

- a) On or about September 30, 1996, \$2,000-\$3,000 from ASCS.
- b) On or about October 25, 1996, payment from Amalgamated Sugar Company (TASCO) in final payment for beet crop in the sum of ~~\$10~~,000.

But that such sum are the collateral of Debtor's creditors and not available for use in future farming or living expenses.

7) That the final harvest of the grain is anticipated to produce approximately \$150,000 and it along with the other income above listed forms a source of income for the Debtor to live on and to prepare for the planting of crops in 1997.

8) That attached hereto and marked Exhibit "A" and by this reference incorporated herein is a budget of sums needed for living expenses and for the planting of the 1997 grain crop. The Debtor proposes that the proceeds from the sale of grain crop be used for such purposes and expenses.

9) That in the event the Debtor in Possession is authorized to use such cash collateral. Reed Grain & Bean, Inc. will be paid proportionate from the funds received as the total expected proceeds from the grain crop relates to the obligation owed to Reed Grain & Bean. By way of example, if the Debtor is allowed to use \$15,000 of the \$150,000 crop proceed (or 10%), then 10% of the indebtedness or \$1,140 of the obligation owed to Reed Grain & Bean will be paid to it. Upon each authorized use of cash collateral by the Debtor in Possession the collateral position of Reed Grain & Bean will be maintained.

10) In the event the Debtor in Possession is authorized to use such cash collateral, Landview Fertilizer, Inc. is adequately protected in that the total value of Debtor in Possession's farm equipment is equal to or exceeds the \$130,000 owed to Landview.

11) That the Debtor requests the court to allow him to sell \$22,000 worth of grain which he projects will yield \$150,000 total and the remaining \$22,000 shall be used as follows:


| | |
|---|------------|
| a) Reed Grain & Bean, Inc. | \$1,672.38 |
| b) Fuel to finish harvest | \$3,000.00 |
| c) Insurance to insure equip. | \$4,000.00 |
| d) Repairs and Supplies | \$1,500.00 |
| e) Living Expenses for Debtor at \$1,300/mo for 5 months | \$6,500.00 |
| f) Labor payments | \$4,000.00 |
| g) Misc. | \$1,327.32 |

Wherefore the Debtor in Possession prays as follows:

That the court authorize use of cash collateral with payment to Reed Grain & Bean, Inc. of the sum of \$1,672.38 and the expenditure of the remainder of the \$22,000.00 cash collateral

motion to be expended as set forth in paragraph 11 above and for such further and other relief as the court deems just and equitable.

DATED this 27 day of September, 1996.


Howard R. Foley
Attorney for Debtor

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on the 21st day of September, 1996, I caused to be served a true and correct copy of the foregoing and Motion to Use Cash Collateral by the method indicated below, and addressed to the following:

| | |
|---------------------------------|--|
| Office of the U.S. Trustee | <input checked="" type="checkbox"/> Mailed |
| P.O. Box 32 | <input type="checkbox"/> FAXED |
| Boise, ID 83707 | <input type="checkbox"/> Hand-delivered |
| United States Trustee | <input checked="" type="checkbox"/> Mailed |
| Ronald D. Schoen | <input type="checkbox"/> FAXED |
| P.O. Box 216 | <input type="checkbox"/> Hand-Delivered |
| Payette, ID 83661 | |
| Landview Fertilizer & Equipment | <input checked="" type="checkbox"/> Mailed |
| 1401 SE First Street | <input type="checkbox"/> FAXED |
| Ontario, OR 97914 | <input type="checkbox"/> Hand-delivered |
| Reed Grain & Bean, Inc. | <input checked="" type="checkbox"/> Mailed |
| P.O. Box 1 | <input type="checkbox"/> FAXED |
| Nampa, ID 83653 | <input type="checkbox"/> Hand-delivered |
| Internal Revenue Service | <input checked="" type="checkbox"/> Mailed |
| 550 W. Fort Street | <input type="checkbox"/> FAXED |
| Boise, ID 83720 | <input type="checkbox"/> Hand-delivered |


Howard R. Foley